

Remarks To International Confederation of Free Trade Unions

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Good afternoon, and thank you all for inviting me to speak with you today.

Let me begin by congratulating the International Confederation of Free Trade Unions on your fiftieth anniversary. For five decades, the ICFTU has been a voice of freedom and hope for the world's working people. And there is nothing more appropriate than for us to meet here, as the ICFTU's friends and member unions commemorate fifty years of work for democracy and economic opportunity; and as we also mark, in the World Trade Organization's Ministerial Conference, fifty years of work to create an open and fair world trading system.

THE TRADING SYSTEM AND THE FREE TRADE UNIONS

It is no accident, I believe, that the ICFTU and the trading system were founded together in the postwar era, and have grown together ever since.

In some ways, these two institutions are very different. But at the most fundamental level, at their inception in the 1940s they reflected the ideals of the western democracies in the postwar era: the rule of law, the rights of the individual, the aspiration for broadly shared prosperity. And it is no accident, I believe, that the nations whose workers join in the ICFTU are also the nations whose governments joined to form the General Agreement on Tariffs and Trade, and which, over 50 years, developed it into today's World Trade Organization.

Here in Seattle, we are commemorating these past fifty years. And we are right to take great pride in our accomplishments. Because these have been decades of progress unmatched ever before in human history.

Since 1950, as the world economy has opened, global trade has grown fifteen-fold; world economic production has grown six-fold; and per capita income almost tripled. These developments in turn have catalyzed a remarkable improvement in daily life, throughout the world: world life expectancy at birth was 48 years in 1955; it is nearly seventy today; infant mortality has fallen by nearly two-thirds, from 148 per thousand births in 1955 to 59 in 1995; and famine has receded from all but the most remote or misgoverned parts of the world.

In the United States, especially in the past seven years, we have seen equally remarkable benefits. Today, unemployment stands at 4.1%. This is the lowest figure in thirty years, meaning

that few Americans on the job today have ever worked in an environment which offers more rewards or more opportunities.

Likewise, in Latin America, Africa, Southeast Asia and Central Europe, we have seen a slow but steadily rising tide of freedom and democratic change. This would have been inconceivable without the courage of union activists in Poland, South Africa, and elsewhere; and the support the ICFTU and its members, including in a place of honor America's own AFL-CIO, gave them for so many years.

At the same time, the reform process in these nations would have been far less without the principles of transparency, market opening and the rule of law which the trading system helps to advance. Minister Steinhoff of Poland recalled this at our WTO Ministerial Conference in Geneva last year:

“Poland's accession to GATT in 1967 helped us to retain institutional links with the international marketplace at the time when my country was still subjected to a political and economic system alien to the aspirations and entrepreneurial spirit of its people... Our participation in the GATT/WTO framework has helped to consolidate reform.”

This experience should be a source of great pride to all of us. And it is continuing as we speak. In the past five years, as nations from Slovenia and Bulgaria to Latvia, Estonia, Kyrgyzstan and Mongolia have joined the WTO, they have also adopted the institutions of a free society. And as others – Albania, Croatia, Georgia, China – do the same, we see the promise of a still more free and peaceful world in the years ahead.

THE CHALLENGE AT HOME

With this record of success, however, have come a set of challenges that all of us – in government, in the labor movement, in business and in other non-governmental organizations – must work together to address.

To create a world of fair and open trade under the rule of law is to accept an open economy for ourselves. That has many benefits: it sets high standards for ourselves; it opens new possibilities for our working people and industries; and reduces the cost of the essentials of life for everyone, most especially the poor. But an open economy also means competition; and competition means change and adjustment to it. And governments, together with working people and industry, must respond.

Much of this response lies in the field of domestic policy. In all our nations, governments have a responsibility to accompany an open trade policy with a commitment to education, job training, and safety nets. This has been the fundamental commitment of the Clinton Administration over the past seven years, from the approval of the Family and Medical Leave Act in 1993 to the work Secretary Herman has done to improve and strengthen job training, the

President's successful fight to give America's schools \$1.3 billion to hire 100,000 new teachers this year, and \$453 million for after-school programs for students; and the battle to raise the minimum wage and strengthen guarantees of health care.

But some of the response must also come from the trading system.

THE CHALLENGE TO THE TRADING SYSTEM

This is what has brought so many union leaders, and so many working people, to Seattle. And in fact, all of us, in our own ways, have come to Seattle for the sake of change.

All of us hope to build a better trading system in the next century. One which does more to create job opportunities and rising living standards in all our countries. One which is more able to support economic development in the world's poorest regions. One which builds upon and transcends the efforts of our predecessors to strengthen the rule of law and create an open, fair world economy for the generations to come.

At the foundation of the trading system, the postwar allies were just beginning the work of reconstruction. The work they did was right for the moment; and much more can be done in the new Round to create prosperity and growth by opening markets. But today we must go further.

1. Trade and the Environment

We must, for example, take up the links between trade and the environment.

Here, the United States begins with a fundamental principle: as we open trade, we will maintain the highest standards of environmental, public health and consumer protection, consistent with our commitment to science-based regulation. The WTO recognizes, and has since 1947, the primacy of this right for all nations. And based upon this, we will ensure that our participation in the Round helps us to create a healthier as well as a more prosperous world.

The President's signature of an Executive Order requiring early environmental reviews, and the release of the White House Policy Declaration on Environment and Trade, give us a systematic basis on which to proceed. We will begin with an early environmental review of the Round's negotiating agenda, and work toward increased collaboration between the WTO and the UN Environmental Program. And in the Round, we will seek a series of measures that contribute both to a more open trading world and better environmental practices: the opening of trade in environmental goods and services; the elimination of agricultural export subsidies; and the elimination of fishery subsidies that contribute to overcapacity. As we do so, we will use the WTO's Committee on Trade and the Environment to identify and consider the environmental implications of the negotiations as they proceed.

2. WTO Reform and Transparency

And we are working toward reform and opening to the public of the WTO itself. The case for this is fundamental. At home, our government has succeeded for two hundred years because it is open and accountable; if international institutions are to succeed, people must likewise see them as open and accountable. This has always been true, but it is more urgent than ever today, as improving education and modern telecommunications open institutions to ever greater scrutiny and debate.

The WTO does not yet fully meet this test, and that is, ultimately, a challenge to its future. Thus we are working for greater transparency throughout the system, through the progressive attainment of some practical goals: ensuring rapid release of documents, enhancing the input of citizens and citizen groups; providing the opportunity to file amicus briefs in dispute settlement proceedings, and opening those proceedings to public observers. These are the measures which create the foundation of public support for the institutions of government at home; and they will do the same for the institutions of the trading system.

TRADE AND LABOR

And we must take up, in a serious way, the links between trade and labor.

Today, in a formal sense, the WTO does not recognize that links between trade and labor exist. This is not a position which can endure: it is intellectually indefensible, and it will over time weaken public support for the trading system. Our task, therefore, is to ensure that the WTO recognizes that links between trade and labor policy do exist, and to confront them, avoiding both superficially easy alternatives of ducking the issues or pretending there are easy answers.

Thus we are not only seeking closer collaboration between the WTO and the International Labor Organization, but also creation of a Working Group on Trade and Labor to examine seriously, in cooperation with institutions like the World Bank and the ILO, questions such as safety nets, the relationship between trade and internationally recognized core labor standards, and the best means of adjustment to heightened competition. This is a very high priority for our Administration, in its own right and as a matter of the trading system's foundation of public support in the future.

The topics we propose to address in this Group are:

- *Trade and employment* - examination of the effect of increased international trade and investment on levels and composition of countries employment;
- *Trade and social protections* - the examination of the effect of increased international openness in trade and investment and the scope and the structure of basic social protections and safety nets in developed and developing countries;

- *Trade and core labor standards* - the examination of the relationship between economic development, international trade and investment, and the implementation of core labor standards;
- *Positive trade policy incentives and core labor standards* - the examination of the scope for positive trade policy incentives to promote implementation of core labor standards;
- *Trade and forced or exploitive child labor* - the examination of the extent of forced or exploitive child labor in industries engaged in international trade; and
- *Trade and derogation from national labor standards* - the examination of the effects of derogation from national labor standards (including to export processing zones) on international trade, investment and economic development.

If the Ministerial adopts such a proposal, it will help us review and analyze, as the new Round proceeds, some of the issues of greatest concern to workers and families in many countries: respect for core labor standards; jobs; adjustment to competition and technological advance. This Group's work would be enhanced by collaboration with the International Labor Organization, the international financial institutions, and the UN Conference on Trade and Development.

We are also therefore seeking WTO observer status for the International Labor Organization, and we are very pleased to welcome Director-General Somavia to this Ministerial as a first step. The ILO, as the preeminent international labor organization, with a record of accomplishment in negotiating a new convention on the most abusive forms of child labor and the Declaration on Fundamental Principles and Rights at Work and Its Follow-up, is central to the success of any effort to address trade and labor through international institutions.

CONCLUSION

These are issues the trading system has not taken up in the past. To form a working group -- in fact, to give formal recognition to the links between trade policies and labor issues -- is a new departure for countries of the WTO.

But the achievements of the past fifty years should give us the confidence to tackle not only those tasks which appear to be difficult, but those which seem impossible.

Since the foundation of the GATT in 1948, and the ICFTU in 1949, a shattered and impoverished world has produced the greatest era of economic growth, technological progress, job creation and rising standards of living ever seen on earth.

The values and institutions of freedom have spread from the embattled democracies of

Western Europe and North America around the world to Asia, Latin America, Africa and Central Europe.

And in all these regions, young people are growing up with more hope and confidence in their future than ever before.

That is a tribute to the idealism and determination of our predecessors; and it is a sign of what we can accomplish in the years ahead.

Thank you very much.